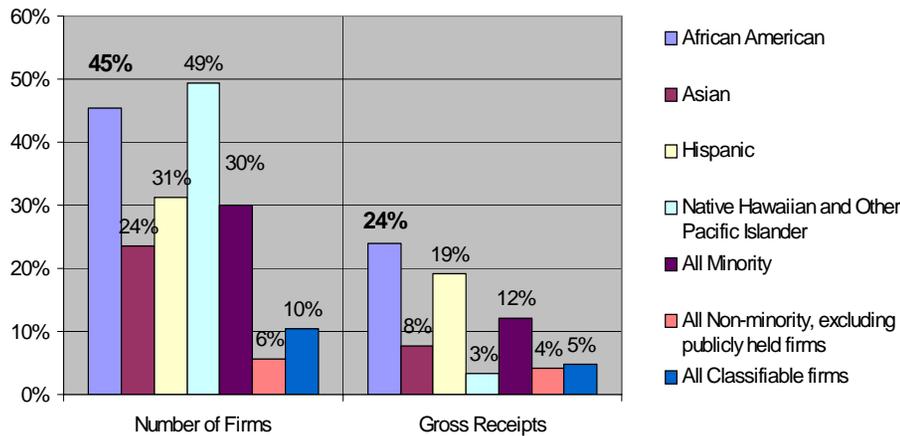


The State of African American Business

In April 2008, the Minority Business Development Agency (MBDA) released the report "Characteristics of Minority Businesses and Entrepreneurs" based on data from the U.S. Census Bureau 2002 Survey of Business Owners. A copy of the full report can be found at www.mbda.gov/minoritybizfacts.

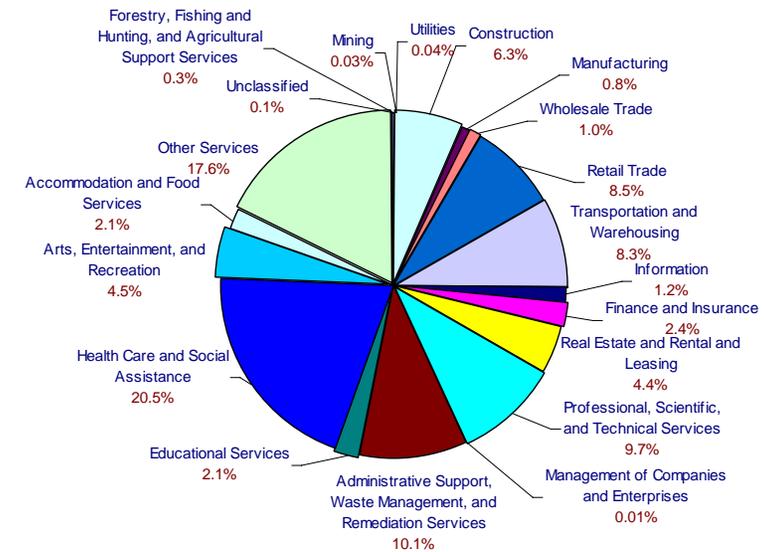
Change in Number and Gross Receipts for African American Firms, 1997-2002



Between 1997 and 2002:

- The growth of African American-owned firms outpaced the national rate, as they grew by 45% compared to 10% for all classifiable firms.
- Gross receipts for African American firms increased by 24%, which surpassed the growth rates for all groups and all classifiable firms.

African American Business Representation by Industry Sector, 2002



- Over 20% of all African American-owned firms are in Health Care and Social Assistance, which is the largest industry sector for African American firms.

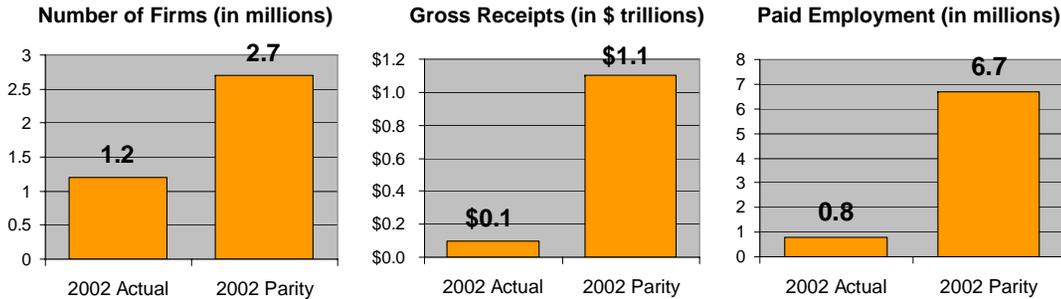
Summary Statistics by Group - 2002

Group	% U.S. Pop. (18yrs+)	No. of Firms	Total Gross Receipts	Ave. Gross Receipts	Paid Employees	BPR (per 1,000 adults)
African American	12.1%	1,198,000 (5.3%)	\$88.6 billion (1.0%)	\$74,000	754,000 (1.4%)	46.1
American Indian & Alaska Native	1.4%	201,000 (0.9%)	\$26.9 billion (0.3%)	\$133,000	191,000 (0.4%)	68.0
Asian	4.5%	1,104,000 (4.9%)	\$326.6 billion (3.7%)	\$296,000	2,214,000 (4.0%)	114.9
Hispanic	11.9%	1,574,000 (7.0%)	\$221.9 billion (2.5%)	\$141,000	1,537,000 (2.8%)	62.2
Native Hawaiian & Other Pacific Islander	0.3%	29,000 (0.1%)	\$4.3 billion (0.1%)	\$148,000	29,000 (0.1%)	46.3
All Minority	29.0%	3,958,000 (17.6%)	\$661.1 billion (7.5%)	\$167,000	4,675,000 (8.4%)	63.8
All Classifiable firms	100.0%	22,480,000 (100%)	\$8.8 trillion (100%)	\$391,000	55,368,000 (100%)	104.5

Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006; 1997 Survey of Minority- and Women- Owned Business Enterprises, July 2001; 2007 Census Special Tabulation; National Population Estimates, July 2002, and MBDA Annual Performance Report: Fiscal Year 2006. Statistics do not include publicly held, foreign-owned and not-for-profit entities. Classifiable Firms are all U.S. firms less publicly held, foreign-owned, non-profit and other firms whose ownership cannot be classified in terms of race, ethnicity, or gender. Figures for Non-Minority and Classifiable Firms represent MBDA estimates. Hispanics may be of any race, because business owners were allowed to identify with more than one race category. Due to the exclusion of tribally held governments in 2002, data for American Indian and Alaska Native firms for 1997 and 2002 are not directly comparable. BPR (Business participation rate) is the number of businesses owned by a group for every 1,000 persons age 18 and above in that same group. Other Services includes firms not provided for elsewhere in the classification system which are engaged in activities such as equipment and machinery repairing, promoting religious activities, grant-making, advocacy, providing dry-cleaning and laundry services, personal care services and dating services. For more information visit www.mbda.gov/minoritybizfacts. Prepared by MBDA's Office of Knowledge Management, September 2008.

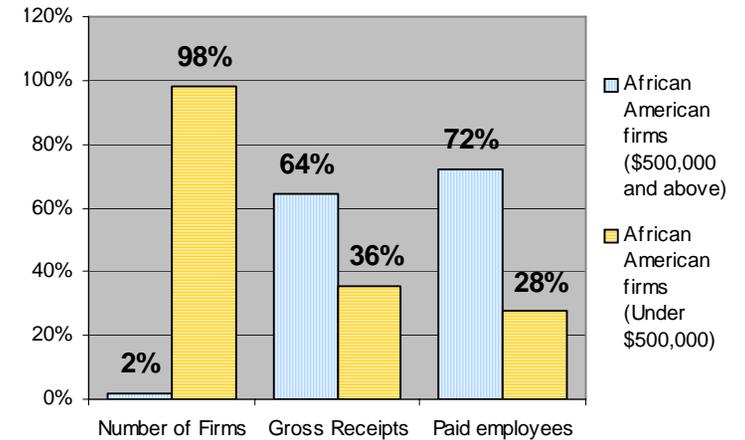
Achieving Entrepreneurial Parity

The landscape for African American Business in 2002 would have been quite different if parity had been achieved. Parity is defined as reaching proportionality between the adult African American population and business development measures such as numbers of firms, gross receipts and employees.



- If the number of African American firms reflected the 2002 African American population share, there would have been 1.5 million additional firms, totaling more than 2.7 million firms.
- Gross receipts would have been about \$1.1 trillion, which is almost twelve times the actual number.
- Paid employment would have totaled 6.7 million—nearly nine times the actual number.

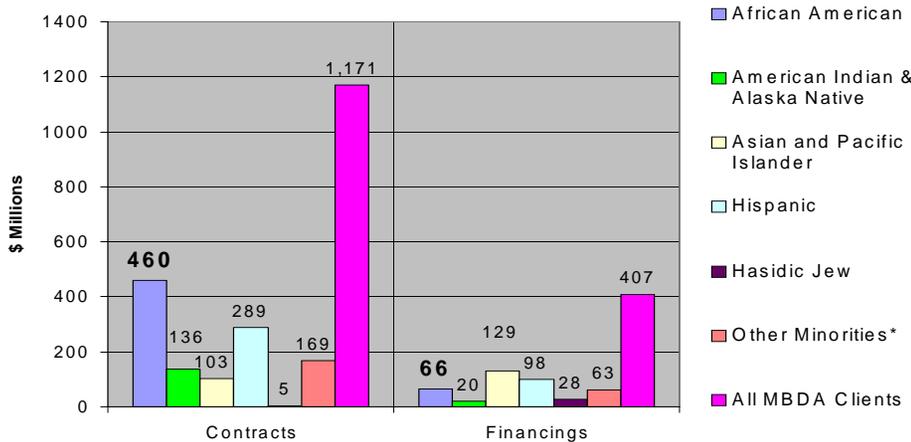
African American Firms by Receipts Size, 2002



- While smaller in number, African American firms with receipts of \$500,000 or more generate a much larger percentage of all the group's revenues and paid employment than firms with receipts under \$500,000.

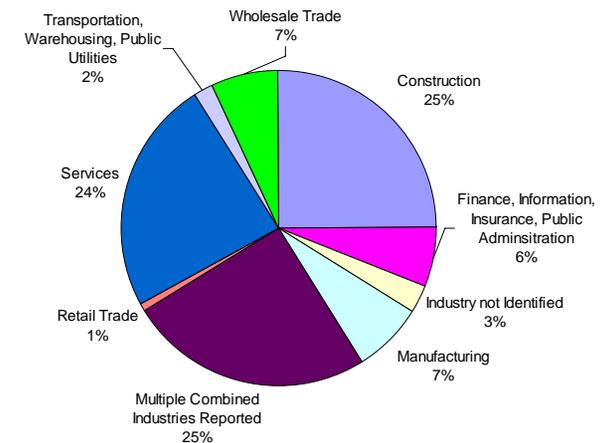
Moving the Numbers. MBDA Contribution to the Success of Minority Business Enterprises

Value of Contracts and Financings Obtained By Minority Firms through MBDA, FY 2006



- MBDA clients obtained \$1.578 billion in contracts and financings in fiscal year 2006.
- Other Minorities include MBDA clients for which the specific racial and ethnic category was not identified.

Percentage of Contracts Obtained by Dollar Value, FY 2006



- Construction contracts represented 1/4 (\$258.9 million) of all the procurement opportunities secured by MBDA funded projects.
- Contracts awarded to MBDA clients for Construction and Services exceeded \$512 million.